

1974: Looking to an Austere New Year



It is an American trait—perhaps the American trait—to anticipate the future with optimism, but as 1973 drew to a close much of that confidence was ebbing, drained by a series of worries that seemed to stretch ahead indefinitely. Worries about the two Big E's: the economy and energy. Worries about the Middle East, about relations with the Japanese and the Europeans, to say nothing of maintaining the shaky détente with the Russians. Worry, in the light of Watergate, about the wonderfully delicate system of American government. Can something designed in the 18th century, the century of reason, cope with the large and complex problems of today?

At a holiday party in Los Angeles, a self-styled expert was holding forth about how these problems will hang on for years. Listening to the lament, a woman in her 40s rolled her eyes to the ceiling and walked away. "One year at a time," she said. "At this rate, one year at a time is all we can handle."

Indeed, each year is becoming a job to handle: 1974 is likely to be just as explosive as 1973. The issues that have been raised this year will have to be grappled with during the next twelve months. The way that they are handled—or mishandled—will deeply affect American politics and pocketbooks.

Watergate will certainly not die down in 1974. Starting in January, three grand juries, which are considering evidence presented by Special Prosecutor Leon Jaworski, are expected to issue indictments in the scandals of the milk producers' contributions to the Nixon campaign, the handling of the ITT antitrust case and the work of the White House plumbers. Egil Krogh, boss of the plumbers, has promised to tell all that he knows after he is sentenced in January—and he knows plenty. Former Cabinet Members John Mitchell and Maurice Stans are scheduled to go on trial Jan. 9 on charges stemming from \$200,000 in illegal campaign contributions by Robert Vesco, the accused swindler. And John Dean, the former White House counsel, is waiting to be sentenced.

Climax to Come. Senator Sam Ervin (see story page 13) will resume his Watergate committee hearings next month, putting on display witnesses who will testify about the Administration's role in the milk deal and the curious \$100,000 campaign contribution from Howard Hughes that Bebe Rebozo kept in that safe-deposit box.

Most important, the House Judiciary Committee will start considering the historic question of whether or not to impeach the President. To Senate Minority Leader Hugh Scott, everything in 1974 will hinge on how the President finally emerges from the maelstrom of

Watergate. What is at stake is his ability—and the ability of the entire Administration—to deal effectively with all the other major issues of the year. Unless Nixon is completely cleared and regains his former clout, or is succeeded by Vice President Gerald Ford, the presidency may turn into a form of regency. Several strong men will use highly independent power: Henry Kissinger in foreign affairs, George Shultz in the economy, William Simon in energy and James Schlesinger in defense.

Gloomy Outlook. Pollsters agree that Americans are becoming more cynical about their Government and more pessimistic about their chances for a better life. Says George Gallup Jr.: "The overall attitude toward the economy is the bleakest in well over a decade." Even gloomier is Albert Sindlinger's "consumer confidence index," which is based on weekly polls of 2,200 heads of households about their attitudes toward expected income levels, job security and business conditions. Reports Sindlinger: "For the first time in 25 years a majority of the people do not have 'consumer confidence.' During the past three weeks, the index has had its sharpest drop in history."

The energy crunch will not only squeeze the sales of cars and such businesses as motels and mountain resorts but also hit industries that use oil as a raw material. Conversely, as more Americans stay at home instead of taking to the open road, they will buy more liquor, books, television sets, swimming pools and, say some pharmaceutical executives, more birth control pills.

The high priority given to the search for energy sources may aggravate the clashes between power producers and environmentalists. But, says Gary Hart, who was George McGovern's campaign manager and is now a candidate for the U.S. Senate from Colorado: "The best way out is to work together. There will be a lot more cooperative ventures between the environmentalists and the energy developers."

Some intellectuals are worried about the basic attitudes of Americans in 1974. "I observe a sense of fright that reminds me of the early '30s," says Terry Sanford, president of Duke University. "The energy crisis and economy have added to the cynicism and alienation from the political process." Adds Futurist Peter Drucker: "The mood is ugly. The employed workingman is becoming very restive. He feels let down by politicians, intellectuals and labor leaders." After a lull in 1973, some labor problems may well arise in 1974. But the discontent is by no means limited to the workingman. Says Drucker: "Inflation leads to middle-class revolt."

Faced with this unrest, both polit-

ical parties will be searching desperately for new, untainted—and often untested—candidates for the November elections. Democrats conceivably could win nearly as tight control of the House of Representatives as Franklin Roosevelt enjoyed in the '30s. But the Democrats should not be too cocky; in the present atmosphere every incumbent could be a target. Voters may want to toss the rascals out simply because they were in power during scandalous 1973. More disturbing is the possibility, suggested by both Drucker and Author Alvin Toffler (*Future Shock*), that angry voters may also decide to toss some rascals in—supporting what Toffler calls “mini-demagogues,” who claim to know all the cures for America’s ills. On the other hand, there will be plenty of opportunity for earnest, hard-working amateurs to capture the public imagination and quickly rise high in elective office.

No Apathy. Political scandals and corruption (see TIME ESSAY) will provoke widespread cries for reform. After the revelation that President Nixon paid only \$792 in federal taxes on income of \$262,942 in one year, the people will undoubtedly pressure Congress to raise the minimum tax and tighten up on deductions. Sentiment is building for some kind of public financing of elections so that the grubbier payoffs of Watergate will not be repeated. There will also be public pressure for laws requiring politicians to put on “public stripteases,” revealing all about their finances.

One highly encouraging sign is that for all their confusion and fears the American people are still far from apathetic. Leaders of both parties echo Georgia Democratic Governor Jimmy Carter’s assessment of the voters: “They are searching for some stability and for some faith in government, and they haven’t seen it yet. The people have a great reservoir of willingness to sacrifice—if they feel they are being told the truth. The people want something cleansing. They want to do something to show allegiance to the country.”

THE CRISIS

The President Yields to Congress

In the battle for power among the branches of Government, Watergate has clearly sapped Richard Nixon’s strength as President and greatly raised the might of Congress and the courts. For months Nixon argued bitterly that the Senate Watergate committee had no right to any of his private tape recordings and documents. Last week he was forced to give ground.

At the committee’s urging, Congress had passed a bill giving the courts authority to enforce the committee’s subpoenas. To head off more controversy, Nixon grudgingly let the bill become law. Explained a White House aide: “Politically, he had to do it. He truly thought that it was a bad bill, but he knew a veto would be misunderstood.” Within a day, the committee subpoenaed tapes of 486 White House meetings and several hundred supporting documents concerning the Watergate break-in, contributions to Nixon’s re-election drive, and campaign dirty tricks.

White House Counsel J. Fred Buzhardt accepted the committee’s subpoena but gave no indication whether it would be honored. An aide said that Nixon considered the subpoena “incredible.” If the White House does not obey it, however, Committee Chairman Sam Ervin has vowed to ask the courts to force the Administration to comply.

Leaked Tape. That could set off another court battle over presidential tapes and documents. The first drew to a close last week. After listening to the tapes, Federal Judge John J. Sirica ruled that most of two and part of a third had nothing to do with the break-in and need not be given to Special Prosecutor Leon Jaworski. His office had subpoenaed them as evidence for the grand jury that will decide whether to indict more people in the Watergate case.

Sirica ruled that of the three tapes, Jaworski should receive only 1) part of a tape including the famous 18¼-minute hum that recorded a meeting between Nixon and former Chief of Staff H.R. Haldeman on June 20, 1972; 2) five minutes of references to Watergate on a tape of Nixon’s discussion on June 30, 1972, with former Attorney General John Mitchell about his resignation as chairman of the President’s re-election committee; and 3) most of a tape of Nixon’s conference with former Counsel John W. Dean on Sept. 15, 1972, the day that the original seven Watergate defendants were indicted. Dean has testified that during the meeting, Nixon congratulated him on the “good job” he had done in preventing the indictments from going higher up.

One of Nixon’s arguments against surrendering the tapes was that they might be leaked, making private conversation public. Just such a leak occurred last week. A tape of a Nixon meeting with milk producers on March 23, 1971, had been subpoenaed from the White House by Attorney William Dobrovir as evidence in a civil suit challenging the Administration’s increase in milk-price supports. At a cocktail party in Washington attended by six other people, Dobrovir played five minutes of the tape “just for fun.”

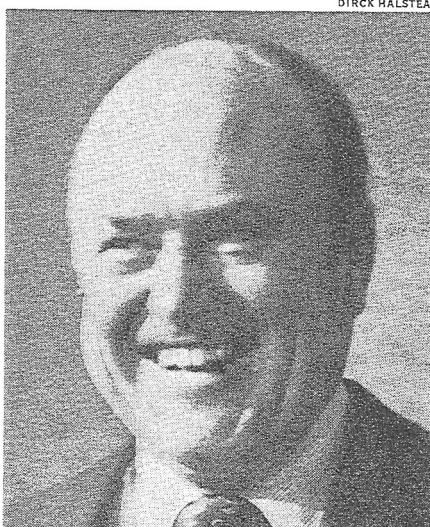
Outraged Nixon aides suggested that Dobrovir had violated legal ethics, and two days later he was summoned to court. There he contritely conceded: “I made a very foolish mistake.” Judge William B. Jones ordered all tapes and documents in the milk case to be sealed until presented in court.

As his Watergate troubles grind on, President Nixon draws more and more within himself. In an interview with Godfrey Sperling of the *Christian Science Monitor*, Republican Senator Barry



SPECIAL COUNSEL JOHN DOAR

As the Chief Executive draws more and more within himself, the public asks: “How honest is this man?”



DOMESTIC ADVISER MELVIN LAIRD



SENATOR BARRY GOLDWATER

DIRCK HALSTEAD

WILLIAM E. SAURO—THE NEW YORK TIMES